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CBS Fight a Litmus Test for Conservatives

Helms Group Faces Legal Hurdles in Ideological Takeover Bid

By Thomas B. Edsall
and David A. Vise
Washington Post Staff Writers

RALEIGH, N.C.—A high-tech political machine armed with some of the most lucrative direct mailing lists in the country and backed by Sen. Jesse Helms (R-N.C.) has drawn the management of CBS Inc. into a fight for survival.

The contest pits CBS in an unprecedented takeover and public relations battle against an ideologically driven adversary that openly

claims to be more interested in achieving political goals than in making money on the deal.

Regardless of the outcome of this battle, the Helms-CBS confrontation provides a litmus test of the ability of the conservative movement to translate the power of its affluent financial base into an ideological force in the marketplace. And it already is providing a look at some legal liabilities within the conservative political machine now under scrutiny by both government prosecutors and CBS lawyers.

The takeover bid by Fairness in Media, an ad hoc committee run by the political allies of Helms, was launched in January. Since then, CBS has hired a battery of top-dollar law firms with the goal of discrediting the North Carolina-based political machine in an attempt to uncover what it claims are improper political fund-raising and other activities that violate federal law.

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On Aug. 28, 1982, Turner donated 2½ hours of prime time on his WTBS superstation to Helms and Crane for a television documentary called "KGB: The Lie . . . and The Truth." The program, an investigation into covert Soviet activities that threaten the United States, was produced by the Coalition for Freedom, a Helms-supported group, and hosted by Crane. It featured appearances by Helms and Sen. John East (R-N.C.).

CBS stock has skyrocketed since its battle with FIM began. On Jan. 10, the day FIM filed its initial papers with the SEC, CBS stock closed at 72½. On Friday, it closed at 109¾, driven upward not only by the Helms attack on the network but also by speculation in media company stocks following the announcement on March 18 that American Broadcasting Companies Inc. had agreed to be acquired by Capital Cities Communications Inc. for more than \$3.5 billion.

The rise in CBS stock has added strong economic support to the

Fairness in Media drive. Someone following the recommendation to buy 20 shares on Jan. 10 would, by last Friday, have realized a gain of \$745, or 51 percent, on an investment of \$1,450, excluding brokerage fees. CBS charges in its lawsuit against FIM that the group is "attempting to manipulate the market in CBS stock through statements intended to create the false impression that FIM's efforts will result in a tender offer or other conventional takeover of CBS."

Some Wall Street analysts said they believe one of the reasons why ABC Chairman Leonard Goldenson chose to sell the company to Capital Cities was to avoid being the target of a hostile takeover bid.

Last week CBS gave its shareholder list to FIM after the group agreed to restrict the use of the names. CBS said it refused to give FIM the list until it received assurances that the list would not be used for political fund-raising.

FIM said Friday it will not use the list to mail stockholders information or launch a proxy fight before CBS' regular annual meeting on April 17. FIM claims it is willing to fight CBS for as long as it takes to realize its goal of influencing the network's news coverage.

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